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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, May 7, 1999

APPLICATION OF

COLUMBIA GAS OF VIRGINIA, INC.

CASE NO. PUE990245

Application to Extend Customer Choicesm

ORDER FOR NOTICE

On March 31, 1999, Columbia Gas of Virginia ("Columbia" or "Company") applied to continue its Customer Choice Program from October 1, 1999, to the earlier of the date the Commission approves the program on a permanent basis or October 1, 2000.

Customer Choicesm is a voluntary experiment or pilot program involving the use of special rates as provided by § 56-234 of the Code of Virginia, which the Commission authorized on September 30, 1997, in its Order Approving Commonwealth Choice Program in Case No. PUE970455, Phase I.² Customer Choicesm offers residential and small general service customers in the

¹ As discussed below, the Commission approved Commonwealth Choice in Case No. PUE970245, Application of Columbia Gas of Virginia, Inc. (formerly Commonwealth Gas Services, Inc.). Although Columbia initiated this matter as a motion in Case No. PUE970455, the Commission will establish a new case to consider an extension of the program. The Commission assumes that the Company has changed the name of its program to Customer Choicesm.

² Unofficial copies of this order and other Commission orders in Case No. PUE970455 may be reviewed on the Commission's WEBSITE at http://ditl.state.va.us/scc/orders/e970455.htm. Official copies may be obtained from the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

Gainesville area the opportunity to purchase gas from independent marketers. Columbia then delivers the gas under terms and conditions approved by the Commission. Columbia was authorized to commence the pilot program on October 1, 1997, with termination on October 1, 1999.

In support of its application, Columbia stated that over 6,500 customers, or 25% of those eligible, now participate in Customer Choice. The Company also noted the passage of Act of Assembly Approved March 27, 1999, ch. 494, 1999 Va. Acts ____ (S 1105), which authorizes local gas distribution companies to offer programs similar to Customer Choice. throughout their service territories beginning in 2000. Accordingly, Columbia states that it is a public interest to continue the program.

As set out in the Commission's Final Order of February 19, 1999, in Case No. PUE970455, we directed that certain issues concerning a code of conduct for retail gas distributors be considered in Case No. PUE980812, Commonwealth of Virginia ex rel. State Corporation Commission ex parte: In the matter of establishing interim rules for retail access pilot programs. If the Commission continues the program as proposed by Columbia, the generic code of conduct adopted in Case No. PUE980812 will govern this and similar programs subject to Commission jurisdiction.

Aside from a change in the name from Commonwealth Choice to Customer Choice. the Commission understands Columbia to propose continuing the program under the same terms and conditions previously approved and in the same portion of its territory. It appears then that the only issue before the Commission is whether it is in the public interest to continue this experimental program previously approved. The Commission finds that a notice of the application to continue the program should be given and that interested persons should have an opportunity to comment.

Accordingly, IT IS ORDERED THAT:

- (1) This matter be docketed; be assigned Case No. PUE990245; and that all papers be associated therein.
- (2) On or before July 12, 1999, any interested person may file with the Clerk, State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, any comments on Columbia's application. Comments should refer to Case No. PUE990245. Any marketer, government agency, political subdivision, or party to Case No. PUE970455 or Case No. PUC980812 shall file an original and 10 copies of any comments and serve a copy on counsel to Columbia, James S. Copenhaver, Senior Attorney, Columbia Gas of Virginia, Inc., P.O. Box 35674, Richmond, Virginia 23236-3674.

- (3) On or before July 26, 1999, the Commission Staff shall file with the Clerk of the Commission an original and 10 copies of a report addressing any comments received, as well as reports received from Columbia concerning Customer Choice, and making recommendations on extending the pilot program and shall serve one copy on Columbia's counsel and on all entities that filed multiple copies of comments as ordered in (2) above.
- (4) On or before August 11, 1999, Columbia and any other person may file with the Clerk of the Commission an original and ten copies of any comments on the Staff report filed as ordered in (3) above.
- (5) On or before May 26, 1999, Columbia shall give notice of this application by serving a copy of this order by first class mail, postage prepaid, on all parties to Case No.

 PUE970245 and Case No. PUE980812; on the chairman of the board of supervisors, or equivalent local official, and the county attorney, or equivalent official, of all jurisdictions in which Customer Choicesm is offered; and on all marketers participating in the program.
- (6) On or before June 25, 1999, Columbia shall mail a copy of the following notice to all customers now participating in the Customer Choicesm Program. The notice may be in the form of a bill insert.

NOTICE TO CUSTOMERS PARTICIPATING IN CUSTOMER CHOICEsm (FORMERLY COMMONWEALTH CHOICE) CASE NO. PUE990245

Columbia Gas of Virginia, Inc. has applied to the Virginia State Corporation Commission for authority to continue offering Customer Choicesm (formerly Commonwealth Choice) in the Gainesville area. The State Corporation Commission authorized Columbia Gas of Virginia, Inc. to offer Customer Choicesm beginning October 1, 1997, and ending on October 1, 1999, as a voluntary experimental program. Columbia Gas of Virginia, Inc. proposes to continue offering Customer Choicesm in the Gainesville area as a voluntary experimental program under the same terms and conditions until the State Corporation Commission approves the program on a permanent basis or until October 1, 2000.

The State Corporation Commission is investigating the application to continue the experimental program as proposed by Columbia Gas of Virginia, Inc. On or before July 10, 1999, any interested person may file with the Clerk, State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, any comments on Columbia's application. Comments should refer to Case No. PUE990245. Any marketer, government agency, political subdivision, or party to Case No. PUE970455 or Case No. PUE980812 shall file an original and 10 copies of any comments and serve a copy on counsel to Columbia, James S. Copenhaver, Senior Attorney, Columbia Gas of Virginia, Inc., P.O. Box 35674, Richmond, Virginia 23236-3674.

COLUMBIA GAS OF VIRGINIA, INC.

(7) On or before July 19, 1999, Columbia shall file with the Clerk of the Commission a list of the names and addresses of all officials and others served as required by (5) above and a certificate of mailing a notice to all customers as required in (6) above.